

form in which it existed from 1860 to 1894. The statutes of the bank were established by a decree of May 26, 1860, and the reserves of several older banking establishments were turned into its coffers and it assumed their engagements. The original capital was 15,000,000 roubles (\$12,000,000) and the declared object of the bank was to consolidate the credit circulation and the floating debt of the Empire. The entire ownership and management were in the government, but the capital and reserve funds were declared to be inviolably set aside for the uses of the bank, and the private depositors were guaranteed against confiscation. A third of the profits were to go to a reserve fund, part of which was to be applied from time to time to the increase of the capital stock.¹ The capital was soon increased by this means to 25,000,000 roubles and the reserve fund to 3,000,000 roubles, where they remained until the reorganization of the bank in 1894. The bank had a metallic reserve on May 1, 1861, of 86,000,-ooo roubles against a circulation of 714,627,069 roubles, but the commercial discounts scarcely exceeded 14,000,000 roubles. The depreciation at this time was about ten per cent, and M. Lamanski, the deputy governor of the bank, proposed a plan for restoring parity and protecting the note issues. He recommended the transformation of the bank into a stock company, with the monopoly of note issue for twenty-eight years, the redemption of notes in coin according to a sliding scale gradually approaching par, and authority to sell the public domains, the forests and the state railways to protect the circulation.²

The plan of M. Lamanski was adopted in a measure, the proceeds of a loan of 15,000,000 roubles were carried to the coin reserve of the bank and it was decreed that bills received in payment for the loan should be destroyed and that new bills should be issued only against deposits of coin. A scale of depreciation was fixed which involved the restoration of parity on January 1, 1864. Redemptions proceeded

¹ Clement Juglar, Article "Banque" in *Dictionnaire des Finances*

*, 347-

² Winiarski, 57.